

Message Text

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ACTION EA-14

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NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 L-03 H-02 PM-07 DODE-00 PA-03

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TO SECSTATE WASHDC 4729

INFO USMISSION EC BRUSSELS

AMEMBASSY LONDON

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USMISSION OECD PARIS

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E. O. 11652: N/A

TAGS: ENRG, JA

SUBJECT: OIL STUDY TEAM MAKES RECOMMENDATION AFTER VISIT TO
U. S.

REF: TOKYO 1322; TOKYO 4116

SUMMARY. FOLLOWING VISIT TO U. S. AND CANADA, JAPANESE PETROLEUM
STUDY MISSION HAS RELEASED ITS PRELIMINARY RECOMMENDATIONS. END
SUMMARY.

1. THE INTERNATIONAL ENERGY PROBLEM RESEARCH GROUP (ALSO KNOWN
AS KONDO MISSION), WHICH RECENTLY VISITED THE U. S. AND CANADA TO
STUDY OIL POLICIES, RELEASED PRELIMINARY STATEMENT OF ITS
RECOMMENDATIONS. IN SUMMARY, THEY ARE AS FOLLOWS:

A) THE GOJ SHOULD ESTABLISH A DEFINITE STRATEGY FOR SECURING
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A STABLE SUPPLY OF ENERGY, AND SHOULD PLACE MORE EMPHASIS ON R& D.

B) THE OIL INDUSTRY LAW SHOULD BE RESTUDIED PARTICULARLY WITH AIM OF REORGANIZING AND STRENGTHENING THE JAPANESE PETROLEUM INDUSTRY.

C) GUIDELINES SHOULD BE ESTABLISHED TO PREVENT EXCESSIVE COMPETITION AMONG JAPANESE OIL FIRMS, ESPECIALLY IN SECURING OIL CONCESSIONS ABROAD.

D) IT WILL BE NECESSARY TO EXPAND JAPANESE OIL STOCKPILES EVENTUALLY TO NINETY DAYS SUPPLY. IN THIS CONNECTION JAPAN SHOULD TAKE A POSITIVE ATTITUDE TOWARD AN EMERGENCY OIL ALLOCATION SYSTEM.

E) JAPAN SHOULD PUSH MULTILATERAL COOPERATION WITH THE INTERNATIONAL OIL COMPANIES WHICH STILL HAVE GREAT POWER IN WORLD OIL MARKET.

F) JAPAN SHOULD SEEK UNDERSTANDING OF OTHER COUNTRIES OF ITS RESOURCES POLICIES THROUGH MULTILATERAL CONSULTATIONS IN THE OECD, OR THROUGH U. S.- JAPAN AND JAPAN- EC CONSULTATIONS.

G) JAPAN SHOULD PROMOTE ECONOMIC AND TECHNICAL COOPERATION FOR THE PURPOSE OF CONTRIBUTING TO SOCIAL AND ECONOMIC DEVELOPMENT OF OIL- PRODUCING COUNTRIES, WITH AIM OF PREVENTING OIL PRODUCING COUNTRIES FROM HOLDING DOWN PRODUCTION.

H) BECAUSE PETROLEUM ISSUES ARE NOW POLITICAL AND DIPLOMATIC ISSUES, THE FOREIGN MINISTRY AND JAPANESE EMBASSIES SHOULD STRENGTHEN THEIR CAPABILITIES IN THE PETROLEUM AREA.

2. EMBASSY IS TRANSLATING FULL TEXT OF KONDO MISSION REPORT AND WILL FORWARD WHEN COMPLETED.

3. ASKED FOR COMMENT ON THE KONDO MISSION' S RECOMMENDATIONS, RYOHEI SUZUKI, HEAD OF MITI' S OIL POLICY DIVISION, SAID THAT KONDO MISSION COULD HARDLY HAVE BEEN EXPECTED TO COME UP WITH VERY PROFOUND RECOMMENDATIONS AFTER ONLY BRIEF VISITS TO U. S. AND CANADA. HOWEVER, FORTUNATELY, SUZUKI SAID, ONE OF MEMBERS OF MISSION HAD BEEN M. SAKISAKA, HEAD OF INSTITUTE OF ENERGY ECONOMICS, LIMITED OFFICIAL USE

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WHO ALSO MEMBER OF MITI' S PETROLEUM ADVISORY COUNCIL. SAKISAKA, HAD KEPT KONDO MISSION FROM GOING TOO FAR ASTRAY IN ITS RECOMMENDATIONS.

4. COMMENT: AS WASHINGTON AWARE KONDO MISSION LED
AND CONTROLLED BY FONOFF. WITH MITI LARGELY " CALLING
SHOTS" IN PETROLEUM AREA IT NOT AT ALL CLEAR WHAT
SIGNIFICANCE CAN BE GIVEN TO MISSION' S RECOMMENDATIONS.
SHOESMITH

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